

Message Text

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ACTION TRSE-00

INFO OCT-01 EA-07 ISO-00 CIAE-00 PM-04 H-01 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 COME-00 EB-07 FRB-03 XMB-02

OPIC-03 LAB-04 EPG-02 SIL-01 OMB-01 STR-04 CEA-01

NEA-10 IO-13 /109 W

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P 110524Z MAY 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 9535

INFO AMEMBASSY JAKARTA PRIORITY

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USADB

FOR NAC AGENCIES

E.O. 11652: ADS, DECLAS 8/11/77

TAGS: EAID, EFIN, ID

SUBJECT: PORPOSED ADB TECHNICAL ASSISTANCE TO INDONESIA FOR
SENIOR TECHNICAL SCHOOLS PROJECT

SUMMARY: ADB MANAGEMENT PROPOSES \$196,000 TECHNICAL
ASSISTANCE GRANT TO GOVT OF INDONESIA FOR PREPARATION OF
A PROJECT FOR DEVELOPMENT AND UPGRADING OF ABOUT 20 SENIOR
TECHNICAL SCHOOLS, TO INCLUDE TECHNICAL TEACHER AND WORK-
SHOP INSTRUCTOR TRAINING. USADB SUPPORTS PROPOSAL. END SUMMARY.

1. ADB DOC. R44-77 DESCRIBING PROPOSED TECHNICAL ASSISTANCE
(TA) GRANT POUCHED ADDRESSEES MAY 6. BOARD CONSIDERATION
SCHEDULED FOR MAY 26.

2. INDONESIA'S SECOND FIVE YEAR PLAN (REPELITA II, 1974-79)
EMPHASIZES EXPANSION OF TECHNICAL EDUCATION AND VOCATIONSL
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TRAINING AT SECONDARY LEVEL WITHIN OVERALL DEVELOP-
MENT PROGRAM FOR EDUCATION SECTOR. RECENT IBRD STUDY
(INDONESIA EDUCATION SECTOR SURVEY, 1975) PLACED THE
AVERAGE ANNUAL NEED FOR TECHNICIANS DURING PERIOD
1971-81 AT 49,000 TO 64,000, BASED ON ASSUMED GDP
GROWTH RATES OF SEVEN PERCENT AND NINE PERCENT, RESPECTIVELY.
NUMBER OF THOSE REQUIRING FORMAL TRAINING PLACED AT

20,000 TO 29,000, AGAIN DEPENDING ON GROWTH RATE. BANK MISSION, WHICH VISITED INDONESIA DURING NOVEMBER-DECEMBER, 1976, BELIEVES IBRD ESTIMATE TO BE ON CONSERVATIVE SIDE. FURTHERMORE, NEED IS FOR IMPROVED QUALITY AND RELEVANCE OF TRAINING, NOT MERELY GREATER QUANTITY OF TRAINEES.

3. PRESENT SYSTEM OF TECHNICAL EDUCATION AND TRAINING COMPRISES FOLLOWING LEVELS;

(A) JUNIOR TECHNICAL SCHOOLS, INTENDED TO TRAIN 13 TO 15 YEAR OLDS IN ELEMENTARY VOCATIONAL FIELDS. DUE TO LACK OF EQUIPMENT, UNQUALIFIED STAFF AND LOW PRACTICAL COURSE CONTENT, THESE SCHOOLS HAVE NOT PLAYED SIGNIFICANT ROLE AND ARE BEING PHASED OUT UNDER PRESENT PLAN TO DEVELOP COMPREHENSIVE JUNIOR SECONDARY SCHOOL SYSTEM;

(B) SENIOR TECHNICAL SECONDARY SCHOOLS, CATERING TO 16 TO 18 YEAR OLDS, AND PROVIDING THREE YEAR COURSES IN VOCATIONAL EDUCATION. THESE SCHOOLS ORIGINALLY SUFFERED FROM SAME SHORT COMING AS JUNIOR SCHOOLS, BUT WITH RECENT INPUTS (PARA. 4) ARE NOW PROVIDING MAIN THRUST IN CATERING TO INDUSTRY'S DEMAND FOR SKILLED WORKERS. IN ADDITION, EIGHT SENIOR DEVELOPMENT TECHNICAL SCHOOLS (STMPs) ARE BEING DEVELOPED TO OFFER FOUR-YEAR COURSES AIMED AT TRAINING INDUSTRIAL TECHNICIANS. STMPs SHOULD PRODUCE NEARLY 2,000 GRADUATES ANNUALLY BY 1978;

(C) SKILLS COURSES FOR OUT-OF-SCHOOL YOUTH AND UNEMPLOYED ADULTS, ORGANIZED BY MINISTRY OF MANPOWER, TRANS-MIGRATION AND COOPERATIVES, VARYING IN LENGTH FROM TWO WEEKS TO SIX MONTHS;

(D) TECHNICAL EDUCATION AT TERTIARY (POST-SECONDARY) LIMITED OFFICIAL USE

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LEVEL. OFFERED BY 17 INSTITUTIONS, MAJORITY OF THESE HAVE A SINGLE ENGINEERING FACULTY OFFERING A COURSE IN "TECHNOLOGY," WHICH IS DEVOTED LARGELY TO THEORY AND HAS VIRTUALLY NO PRACTICAL COURSE WORK.

4. AS INDICATED PARA. 3B, SENIOR TECHNICAL SCHOOLS (STMS) ARE ALLOTTED MAJOR ROLE OF PROVIDING INDUSTRY WITH SKILLED WORKERS FOR ECONOMIC DEVELOPMENT AND INDUSTRIAL EXPANSION. PRIOR TO REPELITA I, COUNTRY HAD 126 STMS SUFFERING FROM VARIETY OF SHORTCOMINGS INCLUDING INADEQUATE EQUIPMENT, OVERCONCENTRATION ON THEORETICAL STUDIES, SHORTAGES OF QUALIFIED TEACHERS, POOR BUILDINGS, AND COURSES UNRELATED TO JOB OPENINGS. IN 1975, IBRD PROJECT, INDONESIA EDUCATION I, BEGAN TO ADDRESS THESE PROBLEMS. FIVE CENTRALIZED WORKSHOPS (TTCS) WERE ESTABLISHED IN URBAN CITIES TO PROVIDE TRAINING FACILITIES FOR 15 SATELLITE STMS, NEW CURRICULA WERE DEVELOPED, AND TEACHER TRAINING COURSES IMPLEMENTED. IBRD PROJECT, INDONESIA EDUCATION IV, APPROVED IN MARCH 1976, WILL

PROVIDE FOUR MORE TTCS SERVING TEN SATELLITE STMS.
FURTHER, GOVT NOW PLANS WORKSHOP FACILITIES AT 80
SELECTED STMS, INCLUDING AT LEAST ONE IN EVERY PROVINCE.
PROGRAM WILL PROVIDE FIVE STANDARDS OF PROVISION,
DEPENDING ON GOVT'S IDENTIFICATION OF TRAINING NEEDS IN
EACH AREA. ALL WILL PROVIDE MECHANICAL, ELECTRICAL AND
BUILDING TRAINING FACILITIES FOR MINIMUM OF 450
PUPILS. SOME WILL OFFER, IN ADDITION, ELECTRONICS
AND/OR AUTOMECHANICS TRAINING FOR UP TO 1080 PUPILS.
DUTCH GOVT HAS AGREED PROVIDE UP TO \$10.4 MILLION TO
FINANCE FOREX COSTS AND PORTION OF LOCAL CURRENCY COST
OF UPGRADING APPROXIMATELY 27 STMS. GOVT HAS ASKED BANK
FINANCE ANOTHER 20 STMS AND HOPES OBTAIN BILATERAL AID

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FOR NAC AGENCIES

FOR REMAINING 33 TO ACHIEVE GOAL OF 80. WHEN FULLY
DEVELOPED, THESE 80 STMS, PLUS THE 25 SERVED BY TTCS
FINANCED BY IBRD, WOULD PROVIDE JUST UNDER 25,000
ENTRANTS PER YEAR TO INDUSTRY BY 1980.

5. PURPOSE OF PROPOSED TA IS TO PREPARE PROJECT PRO-
POSAL FOR DEVELOPMENT AND UPGRADING OF 20 STMS. GOVT
WILL HAVE MADE ITS OWN IDENTIFICATION OF THESE STMS ON
BASIS OF ECONOMIC, SOCIAL AND GEOGRAPHICAL CONSIDERATIONS,

AND CONSULTANTS WILL EVALUATE/MODIFY THEIR SELECTION TAKING INTO ACCOUNT NEEDS OF AREAS SERVED AND EFFECTIVENESS OF IMPLEMENTATION OF POSSIBLE FUTURE PROJECT. TAKING CARE TO ENSURE EFFECTIVE COORDINATION WITH OTHER CONTRIBUTORS TO STM SYSTEM (IBRD, DUTCH GOVT, AND INDONESIA GOVT ITSELF), CONSULTANTS WOULD GIVE ATTENTION TO FOLLOWING SPECIFIC ASPECTS:

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- (A) LOCATION OF SCHOOLS INRELATION TO AREAS SERVED AND POTENTIAL DEVELOPMENT OF THESE AREAS;
- (B) AREAS OF SKILLS TRAINING SELECTED FOR PARTICULAR SCHOOLS RELATIVE TO NEEDS OF AREAS SERVED BY THOSE SCHOOLS;
- (C) EQUIPMENT NEEDS OF SCHOOLS RELATIVE TO PLANNED FACTORY AND WORKSHOP STANDARDS IN EACH AREA;
- (D) EXISTING AND PLANNED FACILITIES FOR RECRUITMENT, TRAINING AND RETENTION OF TEACHERS AND INSTRUCTORS REQUIRED, AND WHETHER AN INSTRUCTOR TRAINING COMPONENT SHOULD BE PART OF PROPOSED PROJECT;
- (E) THE APPROPRIATE ORGANIZATION TO MONITOR AND CONTROL PROJECT.

6. PROPOSED TA WOULD REQUIRE SERVICES OF A CONSULTANT TEAM, ALL MEMBERS OF WHICH WOULD BE EXPERIENCED TECHNICAL EDUCATION/COCCATIONAL TRAINING EDUCATORS AND WHOSE EXPERIENCE WOULD COMPLEMENT ONE ANOTHER. TWO SENIOR MEMBERS OF TEAM WOULD UNDERTAKE AN INCEPTION PHASE OF TA DURING WHICH PRINCIPAL DATA WOULD BE ASEMBLED, POLICY MATTERS RESOLVED, AND WORK PLAN PREPARED FOR SECOND, OR DETAIL PREPARATION PHASE. ALTOGETHER, 20.25 MAN-MONTHS OF SERVICES WOULD BE REQUIRED, OF WHICH 17.25 IN THE FIELD, REMAINDER AT HOME OFFICE IN PREPARATION OF FINAL REPORT. TOTAL COST OF TA ESTIMATED AT \$223,000, OF WHICH FOREX COST (PROPOSED BANK SHARE) WOULD BE \$196,000.

7. IN ACCORDANCE WITH REGULAR BANK PRACTICE, IN THE EVENT TA SHOULD RESULT IN A BANK LOAN, PORTION OF GRANT EXCEEDING \$100,000 WOULD BE CONVERTED INTO SUBSEQUENT LOAN. GOVT WILL COVER LOCAL CURRENCY COSTS OF TA ESTIMATED AT \$27,000. ESTIMATED COST OF POSSIBLE FUTURE PROJECT, TO WHICH BANK NOT COMMITTED AT THIS TIME, IS \$12.5 MILLION. HOWEVER, THIS ESTIMATE IS SUBJECT TO CONSIDERABLE VARIATION DEPENDING ON OUTCOME OF STUDIES OF SEVERAL FACTORS WHICH ARE SUBJECT OF TA ITSELF.

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8. EXECUTING AGENCY FOR PROPOSED TA WOULD BE DIRECTORATE GENERAL FOR PRIMARY AND SECONDARY EDUCATION, WHICH WILL COORDINATE IN MATTERS INVOLVING TECHNICAL TEACHER TRAINING ASPECTS WITH DIRECTORATE GENERAL OF HIGHER EDUCATION. PROJECT IMPLEMENTATION UNIT (PIU), WITHIN DIRECTORATE GENERAL FOR PRIMARY AND SECONDARY EDUCATION, IS PRESENTLY IMPLEMENTING PROJECTS TO UPGRADE TECHNICAL EDUCATION AND VOCATIONAL TRAINING FACILITIES IN INDONESIA. PIU HAS SUCCESSFULLY IMPLEMENTED IBRD PROJECT, EDUCATION I, AND IS EXPANDING STAFF TO UNDERTAKE IBRD EDUCATION IV AND AFOREMENTIONED DUTCH PROJECT. IF REQUIRED, FURTHER STAFFING WOULD BE ASSIGNED TO ENSURE IMPLEMENTATION OF PROPOSED PROJECT IN TIMELY AND EFFICIENT MANNER. IBRD COMPLETION MISSION HAS COMPLIMENTED PIU ON EXECUTION OF EDUCATION I PROJECT.

9. PROPOSED TA WOULD BE BANK'S SECOND TO INDONESIA'S EDUCATION SECTOR. FIRST TA, FOR SURABAYA INSTITUTE OF TECHNOLOGY IN SEPTEMBER 1974, LED TO \$14.5 MILLION LOAN FOR THAT INSTITUTION, APPROVED BY ADB BOARD IN DECEMBER 1975. PROPOSED TA IS IN LINE WITH HIGH PRIORITY ACCORDED BY GOVT TO EXPANSION OF TECHNICAL EDUCATION IN INDONESIA, AND WOULD PROVIDE IMPORTANT MEANS TO MEET COUNTRY'S GROWING REQUIREMENTS OF SKILLED MANPOWER. USADB SUPPORTS PROPOSAL AND RECOMMENDS FAVORABLE NAC ACTION.

10. REQUEST AMEMBASSY JAKARTA'S COMMENTS FOR NAC AGENCIES, INFO USADB MANILA, PURSUANT TO STATE 119795 DATED 3 JULY 1972.
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Message Attributes

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